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SENATE BILL 202

48TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2007

INTRODUCED BY

H. Diane Snyder

FOR THE NEW MEXICO FINANCE AUTHORITY OVERSIGHT COMMITTEE

AN ACT

RELATING TO FINANCE; AMENDING THE NEW MEXICO FINANCE AUTHORITY
ACT TO ADD A REQUIREMENT FOR LEGISLATIVE APPROVAL OF LOCAL
TRANSPORTATION INFRASTRUCTURE FUND PROJECTS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 6-21-6.8 NMSA 1978 (being Laws 2005,
Chapter 262, Section 1) is amended to read:

"6-21-6.8. LOCAL TRANSPORTATION INFRASTRUCTURE FUND--
CREATION--PURPOSE--ADMINISTRATION.--

A. The "local transportation infrastructure fund"
is created within the authority. For the purposes of this
section, "fund" means the local transportation infrastructure
fund. The fund shall be administered by the authority as a
separate account, but may consist of subaccounts if the
authority deems them necessary to carry out the purposes of the

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1 fund. The authority shall adopt rules in accordance with the
2 New Mexico Finance Authority Act necessary to administer the
3 fund.

4 B. The following shall be deposited directly into
5 the fund:

6 (1) beginning July 1, 2005, one-half of the
7 annual administrative fee received by the authority for issuing
8 state transportation bonds pursuant to Sections 67-3-59.3 and
9 67-3-59.4 NMSA 1978;

10 (2) money from the payment of principal and
11 interest on loans and payments of principal and interest on
12 securities held by the authority for local transportation
13 projects;

14 (3) money appropriated by the legislature to
15 implement the provisions of this section; and

16 (4) other public or private money
17 appropriated, dedicated or allocated to the fund for the
18 purpose of financing local transportation projects.

19 C. For the purposes of this section, "local
20 transportation projects" means local transportation projects of
21 qualified entities [~~submitted to the authority by the secretary~~
22 ~~of transportation~~] authorized specifically by law as provided
23 in Subsection F of this section. [~~The authority may provide~~
24 ~~grants or other funding support to qualified entities' local~~
25 ~~transportation projects pursuant to this section without the~~

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1 ~~specific authorization by law for each project otherwise~~
2 ~~required by the New Mexico Finance Authority Act.]~~

3 D. Money in the fund is appropriated to the
4 authority to pay the reasonable and necessary costs of
5 originating and servicing loans, grants or securities funded by
6 the fund and to make loans or grants and to purchase or sell
7 securities to assist qualified entities in financing local
8 transportation projects in accordance with the New Mexico
9 Finance Authority Act.

10 E. The authority may make grants from the fund to
11 qualified entities for local transportation projects when:

12 (1) a grant is not more than twenty-five
13 percent of the total project cost; and

14 (2) a qualified entity demonstrates that it
15 has available or a binding commitment from another person to
16 make available for a project the portion of the total project
17 cost not provided by the grant. The qualified entity may enter
18 into a loan agreement or an agreement to sell the qualified
19 entity's securities with the authority, or the qualified entity
20 may use another source of money available for the project, to
21 provide the costs not covered by the grant.

22 F. ~~[Each May]~~ No later than December 15 of each
23 year, the secretary of transportation, using the department of
24 transportation's metropolitan planning organization and
25 regional planning organization planning process, shall submit a

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1 prioritized list of local transportation projects to the
2 authority that the metropolitan planning organizations and
3 regional planning organizations have determined are appropriate
4 for grants or other funding support pursuant to this section.
5 The list of local transportation projects shall be submitted to
6 the legislature for specific authorization by law. The
7 authority shall act on local transportation projects in the
8 priority [~~presented by the secretary of transportation~~]
9 approved by the legislature; provided that the authority, based
10 on the availability of money in the fund, may determine that a
11 qualified entity shall receive a grant or other funding support
12 for a project out of the order of priority it would otherwise
13 have had or that no grant or other funding support be provided
14 for the project. The rules of the authority for administration
15 of the fund may set a maximum amount of grant or other funding
16 support for a local transportation project.

17 G. Money in the local transportation infrastructure
18 fund not needed for immediate disbursement, including money
19 held in reserve, may be deposited with the state treasurer for
20 short-term investment pursuant to Section 6-10-10.1 NMSA 1978
21 or may be invested in direct and general obligations of or
22 obligations fully and unconditionally guaranteed by the United
23 States, obligations issued by agencies of the United States,
24 obligations of this state or any political subdivision of the
25 state, interest-bearing time deposits, commercial paper issued

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1 by corporations organized and operating in the United States
2 and rated "prime" quality by a national rating service, other
3 investments permitted by Section 6-10-10 NMSA 1978 or as
4 otherwise provided by the trust indenture or bond resolution,
5 if money is pledged for or secures payment of bonds issued by
6 the authority.

7 H. The authority shall establish fiscal controls
8 and accounting procedures that are sufficient to assure proper
9 accounting for local transportation infrastructure fund
10 payments, disbursements and balances."